



**Canyon Fuel  
Company, LLC**

A Subsidiary of Arch Western Bituminous Group, LLC.

*C/041 202 Incoming*

*R*

**Sufco Mine**

597 South SR24  
Salina, Utah 84654  
(435) 286-4880  
Fax (435) 286-4499

Via Certified Mail

October 18, 2010

Emery County Water Conservancy District  
c/o Mr. Jay Mark Humphrey  
P.O. Box 998  
Castle Dale, Utah 84513

RE: Canyon Fuel Company, LLC, Sufco Mine; Continued Mining in Federal Coal Leases SL-062583, U-47080 and U-63214 commonly referred to as the "West Coal Lease Modifications"

Dear Mr. Humphrey:

As required by State mining regulations (R645-301-525.700), Canyon Fuel Company, LLC (CFC) Sufco Mine is notifying you of the mine's plan to expand mining into Sections 26 and 35 in Township 21 South, Range 4 East, SLB&M and into Sections 2, 3, 10 and 11 in Township 22 South, Range 4 East, SLB&M. CFC currently holds the coal leases in this area, commonly referred to as the "West Coal Lease Modifications" and plans to mine Federal Coal Leases SL-062583, U-47080 and U-63214 underlying National Forest lands in these areas. Mining is ongoing and will continue through approximately 2017 in these areas. Longwall mining is projected to commence in these areas in early 2014. No subsidence or surface disturbance will occur as the result of developing the mains in any of the areas listed. Minor surface subsidence may occur in areas where longwall mining will be conducted, but no surface or ground water flows should be interrupted or diminished as a result of this mining activity. Copies of the mine plan may be examined at the Sevier County Courthouse or at the Utah Division of Oil, Gas & Mining offices in Salt Lake City, Utah.

If you have any questions regarding this letter or would like to discuss future mining plans for the above referenced sections, please call Mike Davis at (435) 286-4421 or me at (435) 286-4400.

Sincerely,  
Canyon Fuel Company, LLC.  
Sufco Mine

Kenneth E. May  
General Manager

RECEIVED  
OCT 21 2010  
DIV OF OIL, GAS & MINING

xc: Daron Haddock, Utah Division of Oil, Gas & Mining